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SKATEPRO APS
OMEGA 6, 8382 HINNERUP
ANNUAL REPORT
1 JANUARY - 31 DECEMBER 2023

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 17 May 2024**

Jesper Rasmussen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 28 85 38 66

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COMPANY DETAILS

Company	SKATEPRO ApS Omega 6 8382 Hinnerup
	CVR No.: 28 85 38 66 Established: 14 June 2005 Municipality: Favrskov Financial Year: 1 January - 31 December
Board of Directors	Jakob Høy Biegel, chairman Jesper Rasmussen Carsten Schmidt
Executive Board	Carsten Schmidt
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C
Bank	Danske Bank
	Spar Nord
Law Firm	Kromann Reumert

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of SKATEPRO ApS for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Hinnerup, 17 May 2024

Executive Board

Carsten Schmidt

Board of Directors

Jakob Høy Biegel
Chairman

Jesper Rasmussen

Carsten Schmidt

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SKATEPRO ApS

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements SKATEPRO ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Parent Company Financial Statements .

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements , whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements , including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Aarhus, 17 May 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Klaus Tvede-Jensen
State Authorised Public Accountant
MNE no. mne23304

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023	2022	2021	2020	2019
	DKK '000	DKK '000	DKK '000	DKK '000	DKK '000
Income statement					
Net revenue.....	262.029	421.466	748.676	631.912	324.653
Gross profit/loss.....	42.448	41.980	175.414	161.313	75.026
Operating profit/loss of main activities...	-3.791	-30.753	59.093	74.183	24.471
Financial income and expenses, net.....	-9.218	-5.160	-2.261	-155	-625
Profit/loss for the year.....	-10.122	-28.172	45.186	55.225	18.491
Balance sheet					
Total assets.....	294.898	362.967	462.795	217.401	113.141
Equity.....	84.446	94.614	122.718	97.081	48.046
Investment in property, plant and equipment.....	5.925	1.105	2.696	597	829
Hereof investment in financial lease assets.....	5.100	0	0	0	0
Cash flows					
Investment in property, plant and equipment.....	-825	-1.105	-2.696	-597	-829
Key ratios					
Gross margin.....	16,2	10,0	23,4	25,5	23,1
Equity ratio.....	28,6	26,1	26,5	44,7	42,5
Return on equity.....	-11,3	-25,9	41,1	76,1	47,7
Net Margin.....	-3,9	-6,7	6,0	8,7	5,7

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin:	$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$
Equity ratio:	$\frac{\text{Equity (ex. minorities), at year-end} \times 100}{\text{Total assets, at year-end}}$
Return on equity:	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$
Net Margin	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$

MANAGEMENT COMMENTARY

Primary activities

The primary activity consists of selling leisure equipment within action sport as well as related activities within B2B and B2C segments, mainly in Europe and North America.

We are a significant player in the action sport market and want to provide a wide range of action sport products for both B2C and B2B.

We buy products from vendors/brands and focus on sale, distribution, and excellent customer service. We primarily sell through our websites. We have more than 70 full-time employees. We are located in Søften, Denmark.

We pick and pack from our own warehouse in Denmark as well as an additional warehouses outside Denmark. Our products are mainly manufactured in Asia and Europe.

Unusual matters

There have been no unusual circumstances.

Development in activities and financial and economic position

Profit for the year is not as expected. In all markets the demand for Action Sports products continued to decline throughout 2023 and the revenue ended at 262 mill DKK. This is a drop of 37,8% compared to 2022. This low activity level and increasing interest costs are the main reasons for the loss in 2023.

The main reason for the unexpected low activity level was the continued low consumer confidence, higher interest rates and inflation. The retail business did not recover in 2023 and especially the e-commerce had a hard time throughout the year.

Although the revenue declined we have managed to maintain the same level of gross profit as in 2022 in absolute numbers and increased our gross margin from 10 to 16,2%.

Despite all the negative circumstances, resulting in a loss for the year, our equity was 84.4 mill DKK, corresponding to an equity ratio of 28.6% per 31 December 2023.

Profit/loss for the year compared to the expected development

The result of 2023 was unsatisfying. The expectations were revenue at 300 mill DKK with a positive EBITDA. Sadly, we experienced a drop in revenue and increased interest rates.

We have throughout the year adapted our organization and improved efficiency in our operations and managed to reduce the loss to only -3.791 million DKK. The unexpected operating loss was not foreseeable at the beginning of year.

Significant events after the end of the financial year

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Financial risks

Our risk management program seeks to identify, assess, and elude risks in order to minimize potential unfavorable effects on our financial performance.

Operational risk:

The operational risks are in general related to the development of the different markets. Throughout 2023 we have adapted to the lower demand.

Currency risks:

Many of our purchases are settled in USD and there is a minor risk that currency rates change after placing the orders. We always take the current USD rate into consideration in our price calculations, when the shipments arrive, so the currency risk is considered minor.

Credit risks:

The majority of our sales are made through prepayment, credit cards or similar payment upfront methods. In 2023 we had minor losses on customers with Credit or credit card fraud. We always evaluate each fraud case and our algorithm to minimize the loss.

MANAGEMENT COMMENTARY

Financial risks (continued)

Liquidity risks:

Our liquidity management's objective is to provide sufficient cash and cash equivalents to enable us to meet our payment obligations. We maintain a good relationship with our bank, and in a market with increasing interest rates, we focus on reducing our debt. The bank debt has, in the first months of this year, been reduced by more than 12%. We expect to reduce the debt even further throughout the following year. Our cashflow and financing is still under control, and we expect positive cashflow throughout the year.

Outlook

The financial year 2024 will hopefully be a more normal year where most of the markets will return to a more normalized level of activity and demand. After another tough year in 2023, we are in a better position than before 2023. We expect a positive EBITDA around 8-12 mill for the current financial year, with an estimated revenue of around 270 million DKK.

The bank debt has, in the first months of this year, been reduced by more than 12 %. We expect to reduce the debt even further throughout the year. Our cashflow and financing is still under control, and we expect positive cashflow throughout the year.

Corporate social responsibility (CSR) report

Business model

SkatePro consists of a strong ecommerce platform selling online to different markets in Europe and North America. We have more than 70 FTE's loving and enjoying action sports. Our action sport categories are Skates, Skateboards, BMX, Scooters, Winter, and Surf products.

Environmental impact

We strive to always run an economically responsible company with respect to the climate. We want to sell quality products with a long product lifetime and thereby limit our CO2 footprint. The most significant risks for us are:

- Consumption of packaging material.
- The distribution of parcels to customers with a CO2 impact.
- The manufacturing of products with a negative impact on the environment.

The goals for handling of packaging material in 2024 are:

- We have started an initiative avoiding/minimizing return on low value items avoiding the use of packing materials (looking at cost and impact on the environment).
- Our product specifications and descriptions will be improved with the help of AI resulting in less returns.

In 2023 we continued to develop sizing guides and worked more on data specifications to decrease the return rate and hereby limit the CO2 Footprint.

The goals for minimizing CO2 impact for 2024 are:

- We will work on decreasing our return rate and minimize CO2 impact.
- We strive to minimize the distance the parcels are transported by running warehouse(s) closer to our customers, making sure we have the right products at the right time in all our warehouses.
- Better product specifications and descriptions minimizing returns.

In 2023 we continued with limited traveling to customers and partners and used online meetings .

In 2023 our solar panels generated 66,61 MWh covering more than 31% of our electricity consumption. The goal was 40%. It was not possible to use all the power generated during all weekdays. Besides this our investments in automation have increased our usage, so we didn't meet the goal of 40% usages. For

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

2024 the goal is to cover more than 35%. We will minimize a part of the consumption and use more of the power generated from the solar panels instead of feeding it to the grid.

The goals for minimizing the impact on the environment at manufacturing in 2024:

- Containers should be filled to an absolute maximum.
- Manufacturers should minimize the use of plastic for packaging.
- Manufacturing should be done with due respect to an economical and environmental impact.

We only use cardboard and other freight material made of recycled materials.

Human rights

At SkatePro we follow the rules and guidelines set-out for Human-rights based on the Danish regulations. In 2023 we have not identified any breaches. We monitor on an ongoing basis any potential risks on human-rights. For 2024 we don't expect any breaches.

Risk assessment.

Identified Risks: There's a risk that some suppliers don't follow the human rights.

Preventive actions: We will perform a supplier code of conduct assessment on major suppliers.

Assessment: We assess the risk to be minor.

Social & Employee Relations

Special needs

We want to be inclusive and embrace people with special needs. Together with Job centers and employment agencies we facilitate this and have currently 2 employees with special needs.

Trainees and interns

We want to have trainees and interns, because it is important to help build and coach young people for the future. We currently have 4 trainees and 0 interns. We achieve our goals through co-labs with the education institutions, like VIA College and Erhvervsakademiet, and participating in recruitment events.

Social responsibility for action sport

We want to take social responsibility through action sport in the different communities. We want to support, inspire, and grow action sports giving people an active lifestyle ensuring their wellbeing.

In 2023, we sponsored a number of team riders and events, and gave back 5% of the revenue on Black Friday sponsoring community Skatepark projects around the world. In 2024, we are staying committed to the same path. We will extend the give back concept supporting up to 5 events throughout the year including Black Friday Give Back.

Our aim is to continue supporting riders and events, giving back to the rider communities, collaborating with charities and organizations, and doing everything we can to strengthen people and their wellbeing through action sports.

Employment terms

We want to ensure all contracts and contractual terms are compliant with the collective agreement for all our employees. We offer pension schemes and health insurance to all employees above 18 years. All employees have an employment contract, and all are informed about benefits and our collective agreement. We ensure all employees are hired under a collective agreement guaranteeing minimum wages.

Leadership skills

We consider leadership as a vital skill set and want to educate and develop our leaders. All leaders have participated in our internal leader development program.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

Development and skill set upgrade.

We want to ensure that employees have the knowledge and information needed to fill their job function and understand our business. We encourage job rotation and help people fulfill their career dreams, offering them trainee positions/other job functions within the company.

Well-being

We want our employees to be healthy and well. Goal for 2024 Sickness to be maximum 2% based on planned working hours compared to sickness hours. In 2023 we had a higher Sickness percentage, due to a few long-term sickness leaves.

Discrimination

We want to ensure that our employment practices are ethically sound, and we want to avoid discrimination when hiring, promoting, and offboarding people. We treat all employees with respect and dignity. Our goal for 2024 is 0 cases. In 2023 we had no cases of discrimination reported.

Harassment

We want to be preventive and stop any harassment from taking place. We had no issues in 2023. Our goal for 2024 is 0 cases. We encourage Leaders and HR to communicate to avoid any harassment.

Safety and security

We want to ensure that SkatePro is a safe workplace. Our goal for 2024 is 0 injuries. In 2023 we had 0 work related injuries.

Company values and culture

We want to be true to our company values in everything we do. Our current company values are Passionate, User focus, Team, Smart and Trustworthy.

Our goal for 2024 is that all employees live by our values. We aim to hire for values and then train people to have the correct skill set.

Risk assessment.

Identified Risks: Attracting the right people could be a challenge. The salary level might increase, so we cannot afford to run our logistic operation in Denmark. High sickness rate in warehouse, hence work can be physically hard, temperature can vary a lot and the work can be monotonous.

Preventive actions: We offer people to be hired with subsidies, internship for school student and other young people (either personal and/or social challenged). We focus on well-being including close dialogue between leaders and employees and we offer a health insurance scheme where employees can get any needed treatments including rehabilitation, chiropractor, physiotherapist, psychologist, stress counselling, etc.

Assessment: We assess this area to be of low risk and will need to pay close attention to the balance between running a sound business and cost.

Anticorruption and Bribery

SkatePro is located in Denmark. Corruption and bribery are illegal in Denmark, and corruption and bribery are therefore considered a minor risk within Denmark. All Employees and Company Representative of SkatePro are strictly forbidden to use their job position or job influence to gain any advantage for themselves or for those close to them. SkatePro is against any payment of bribes and all other illegal forms of payment to civil servants, government members or any other public officer, as well as any kind of private law entity. Any act of corruption will be sanctioned. SkatePro has a whistleblower scheme where it is possible to report anonymously any issues or concerns.

Whistleblower scheme

We want to prevent any unlawful and/or unethical behavior and for employees to report any issues and feel safe in the process. Our goal for 2024 is to handle all whistleblower cases and take the necessary actions. If there are any cases, they will be reported to C-level and/or board. So far, the whistleblower scheme has not been used since it was launched several years ago.

MANAGEMENT COMMENTARY

Corporate social responsibility (CSR) report (continued)

Risk Assessment.

Identified Risks: IT security, especially ransomware, is always a risk. There is a risk that some suppliers don't follow the ethical and legal rules.

Preventive actions: We are running internal Cybersecurity training for staff. We have on a regular basis a security consultant analyzing and identifying risks in our IT infrastructure. We have invested in extensive and secure backup routines. During 2024 we will implement code of conduct towards major suppliers and brands.

Assessment: We acknowledge the increasing risks, but in our assessment, we have a sufficient safety setup for our IT Security.

Statutory report on diversity

We want to be an attractive company with an international work environment and the company language is English. We are currently 23 nationalities. We provide a relocation support setup including Skatepro apartments and communicate in English for everybody to feel included.

We want to attract employees of all ages (junior and senior). Our average age is 30 years, and we have a split from 13 to 60 years. We cover all ages but also want to make sure to have a set of young people that match and understand our customers' demands.

Report of target figures and policies for the under-represented gender

Gender distribution within Management

	2023
Number of members of the supreme management body.....	3
Under-represented gender, share in % of the supreme management body.....	100%
Number of people at other management levels.....	11
Under-represented gender, share in % at other management levels.....	18%

Target figures for the supreme management body

	2023
Target figures in % for the supreme management body.....	33%
Year, in which the target figures are expected to be met.....	2026

Status of meeting the target figures set for the supreme management body

- The board level is 100% male of 3 board members.
- The target is that we want to have a female in the board.
- The deadline is within the next 3 years.

Target figures for other management levels

	2023
Target figures in % for the other management levels.....	30%
Year, in which the target figures are expected to be met.....	2026

Policy for other management levels

- In the management team we are 18% female and 82% male of 11 members. The goal is 30% female and 70% male.
- To meet the goal, we will focus on our recruitment, and if we have two candidates with equal competencies, we will give a female candidate priority.

MANAGEMENT COMMENTARY

Report of target figures and policies for the under-represented gender (continued)

- The deadline is within the next 3 years.
- Among all employees we are currently at 30% female and 70% male. The goal is still 40% female and 60% male, and we managed to get a bit closer in 2023. To meet the goal, we will continue to focus on gender in our recruitment.

Report of data ethics

We respect and protect customers, employees, and business partners' personal rights. We don't have a fully developed data ethics policy. However we protect the personal data we are processing and have implemented data protection and IT policies. We use analytics data from our partners to predict customers behavior.

Our use of data is responsible and appropriate, which means we only collect data from reliable sources, and we only use it for relevant business purposes. Our data ethics principles cover all types of data collected, analyzed, stored and otherwise processed. We strive for high data ethics, upholding transparency and a responsible use of data.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
NET REVENUE	1	262.028.547	421.465.854	253.882.671	403.549.260
Other operating income.....		1.331.574	1.600.421	1.331.574	1.600.421
Expenses for raw materials and consumables.....		-183.143.103	-319.404.223	-177.491.840	-308.635.147
Other external expenses.....	2	-37.769.325	-61.681.976	-35.922.828	-57.454.151
GROSS PROFIT/LOSS		42.447.693	41.980.076	41.799.577	39.060.383
Staff costs.....	3	-43.926.072	-71.502.044	-43.322.002	-69.779.679
Depreciation, amortisation and impairment losses for tangible and intangible assets.....		-2.312.529	-1.230.988	-2.312.529	-1.230.988
OPERATING LOSS		-3.790.908	-30.752.956	-3.834.954	-31.950.284
Income from investments in subsidiaries.....		0	0	150.542	870.028
Other financial income.....	4	40.332	55.269	32.832	44.857
Other financial expenses.....	5	-9.258.138	-5.215.091	-9.357.355	-5.296.070
LOSS BEFORE TAX		-13.008.714	-35.912.778	-13.008.935	-36.331.469
Tax on profit/loss for the year.....	6	2.887.051	7.740.883	2.887.272	8.159.574
LOSS FOR THE YEAR	7	-10.121.663	-28.171.895	-10.121.663	-28.171.895

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
Acquired concessions, patents, licences, trademarks and similar rights.....		38.905	75.780	38.905	75.780
Intangible assets.....	8	38.905	75.780	38.905	75.780
Other plant, fixtures and equipment.....		5.940.369	2.314.761	5.940.369	2.314.761
Leasehold improvements.....		616.147	768.699	616.147	768.699
Property, plant and equipment...	9	6.556.516	3.083.460	6.556.516	3.083.460
Investments in subsidiaries.....		0	0	1.634.415	1.529.791
Rent deposit and other receivables.....		2.752.934	3.199.417	2.752.934	3.199.417
Financial non-current assets.....	10	2.752.934	3.199.417	4.387.349	4.729.208
NON-CURRENT ASSETS.....		9.348.355	6.358.657	10.982.770	7.888.448
Finished goods and goods for resale.....		247.320.927	321.913.382	247.320.928	321.913.378
Prepayments.....		14.430.441	17.439.874	14.430.441	17.439.874
Inventories.....		261.751.368	339.353.256	261.751.369	339.353.252
Trade receivables.....		4.493.532	4.000.579	4.344.217	3.884.900
Deferred tax assets.....	11	10.959.272	8.072.000	10.959.272	8.072.000
Other receivables.....		4.173.710	1.993.153	3.640.882	1.666.662
Corporation tax receivable.....		270.065	0	0	0
Prepayments.....	12	523.346	568.161	523.346	568.161
Receivables.....		20.419.925	14.633.893	19.467.717	14.191.723
Cash and cash equivalents.....		3.377.973	2.621.529	1.829.781	2.167.379
CURRENT ASSETS.....		285.549.266	356.608.678	283.048.867	355.712.354
ASSETS.....		294.897.621	362.967.335	294.031.637	363.600.802

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2023 DKK	2022 DKK	2023 DKK	2022 DKK
Share Capital.....		125.000	125.000	125.000	125.000
Reserve for net revaluation under the equity method.....		0	0	1.599.891	1.495.267
Fair value reserve for currency translation of foreign entities.....		22.241	68.159	0	0
Retained earnings.....		84.299.149	94.420.812	82.721.499	92.993.704
EQUITY.....		84.446.390	94.613.971	84.446.390	94.613.971
Lease liabilities.....		3.222.968	0	3.222.968	0
Payables to group enterprises.....		28.023.245	0	28.023.245	0
Debt to owners and Management..		25.209.104	0	25.209.104	0
Deposits.....		198.468	81.271	198.468	81.271
Non-current liabilities.....	13	56.653.785	81.271	56.653.785	81.271
Bank debt.....		103.270.801	194.682.321	103.270.801	194.682.321
Lease liabilities.....		920.640	0	920.640	0
Prepayments from customers.....		10.026.499	13.157.937	10.026.499	13.157.937
Trade payables.....		24.397.199	35.228.949	23.601.622	35.213.644
Debt to Group companies.....		0	7.604.580	159.087	8.576.988
Debt to owners and Management..		0	4.868.647	0	4.868.647
Corporation tax payable.....		0	124.100	0	0
Other liabilities.....	14	15.182.307	12.605.559	14.952.813	12.406.023
Current liabilities.....		153.797.446	268.272.093	152.931.462	268.905.560
LIABILITIES.....		210.451.231	268.353.364	209.585.247	268.986.831
EQUITY AND LIABILITIES.....		294.897.621	362.967.335	294.031.637	363.600.802
Contingencies etc.	15				
Charges and securities	16				
Related parties	17				
Consolidated Financial Statements	18				

EQUITY

DKK	Group			
	Share Capital	Fair value reserve for currency translation of foreign entities	Retained earnings	Total
Equity at 1 January 2023.....	125.000	68.159	94.420.812	94.613.971
Proposed profit allocation, see note 7.....			-10.121.663	-10.121.663
Change fair value reserves				
Value adjustments in the year.....		-45.918		-45.918
Equity at 31 December 2023	125.000	22.241	84.299.149	84.446.390

DKK	Parent Company			
	Share Capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at 1 January 2023.....	125.000	1.495.267	92.993.704	94.613.971
Proposed profit allocation, jf. note 7.....		150.542	-10.272.205	-10.121.663
Other legal bindings				
Foreign exchange adjustments.....		-45.918		-45.918
Equity at 31 December 2023	125.000	1.599.891	82.721.499	84.446.390

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023	2022
	DKK	DKK
Profit/loss for the year.....	-10.121.663	-28.171.895
Depreciation and amortisation, reversed.....	2.312.529	1.230.988
Reversed realization gains.....	23.235	0
Tax on profit/loss, reversed.....	-2.887.051	-7.740.883
Corporation tax paid.....	-394.386	564.685
Change in inventories.....	77.601.888	86.422.942
Change in receivables (ex tax).....	-2.628.695	3.144.260
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-10.510.120	-76.226.420
Other cash flows from operating activities.....	-1.002.311	68.159
CASH FLOWS FROM OPERATING ACTIVITY.....	52.393.426	-20.708.164
Purchase of property, plant and equipment.....	-824.945	-1.105.083
Sale of property, plant and equipment.....	153.000	0
Purchase of financial assets.....	-6.943	-370.284
Sale of financial assets.....	453.426	0
CASH FLOWS FROM INVESTING ACTIVITY.....	-225.462	-1.475.367
Proceeds from non-current borrowing.....	40.000.000	0
Change in bank debt.....	-91.411.520	4.466.365
CASH FLOWS FROM FINANCING ACTIVITY.....	-51.411.520	4.466.365
CHANGE IN CASH AND CASH EQUIVALENTS.....	756.444	-17.717.166
Cash and cash equivalents at 1. januar.....	2.621.529	20.338.695
CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....	3.377.973	2.621.529
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents.....	3.377.973	2.621.529
CASH AND CASH EQUIVALENTS.....	3.377.973	2.621.529

NOTES

	Group		Parent Company		Note
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	
Net revenue					1
Segment details (geography)					
EU countries.....	178.867.049	277.919.910	178.867.049	277.919.910	
None-EU countries.....	83.161.498	143.545.944	75.015.622	125.629.350	
	262.028.547	421.465.854	253.882.671	403.549.260	
Fee to statutory auditor					2
Total fee:					
BDO.....	186.000	0	186.000	0	
Deloitte.....	200.470	983.131	200.470	983.131	
	386.470	983.131	386.470	983.131	
Specification of fee:					
Statutory audit.....	133.000	190.000	158.000	190.000	
Tax consultancy.....	20.000	130.000	0	130.000	
Other services.....	233.470	663.131	228.470	663.131	
	386.470	983.131	386.470	983.131	
For the financial year 2023, Skatepro ApS has appointed BDO as Group Auditor. The fees above to auditors are therefore attributable to Deloitte for 2022 and both Deloitte and BDO for 2023.					
For the year 2023 DKK 200 thousand of Other services is attributable to Deloitte.					
Staff costs					3
Average number of full time employees	92	157	92	157	
Wages and salaries.....	38.492.626	61.994.018	37.888.556	60.271.653	
Pensions.....	4.738.933	8.067.366	4.738.933	8.067.366	
Social security costs.....	694.513	1.440.660	694.513	1.440.660	
	43.926.072	71.502.044	43.322.002	69.779.679	
Remuneration of Executive Board....	350.000	754.161	350.000	754.161	
Remuneration of Board of Directors.	1.757.714	2.641.333	1.757.714	2.641.333	
	2.107.714	3.395.494	2.107.714	3.395.494	
Other financial income					4
Other interest income.....	40.332	55.269	32.832	44.857	
	40.332	55.269	32.832	44.857	

NOTES

	Group		Parent Company		Note
	2023 DKK	2022 DKK	2023 DKK	2022 DKK	
Other financial expenses					5
Interest expenses to group enterprises.....	531.511	223.206	630.318	304.186	
Other interest expenses.....	8.726.627	4.991.885	8.727.037	4.991.884	
	9.258.138	5.215.091	9.357.355	5.296.070	
Tax on profit/loss for the year					6
Calculated tax on taxable income of the year.....	221	418.691	0	0	
Adjustment of tax in previous years.....	0	426	0	426	
Adjustment of deferred tax.....	-2.887.272	-8.160.000	-2.887.272	-8.160.000	
	-2.887.051	-7.740.883	-2.887.272	-8.159.574	
Proposed distribution of profit					7
Allocation to reserve for net revaluation under the equity method.....	0	0	150.542	-872.353	
Retained earnings.....	-10.121.663	-28.171.895	-10.272.205	-27.299.542	
	-10.121.663	-28.171.895	-10.121.663	-28.171.895	
Intangible assets					8
			Group		
			<u>Acquired concessions, patents, licences, trademarks and similar rights</u>		
Cost at 1 January 2023.....			763.162		
Disposals.....			-310.665		
Cost at 31 December 2023.....			452.497		
Amortisation at 1 January 2023.....			687.383		
Reversal of amortisation of assets disposed of			-310.665		
Amortisation for the year.....			36.874		
Amortisation at 31 December 2023.....			413.592		
Carrying amount at 31 December 2023.....			38.905		

NOTES

Note

Intangible fixed assets (continued)

8

	<u>Parent Company</u>
	Acquired concessions, patents, licences, trademarks and similar rights
Cost at 1 January 2023.....	763.162
Disposals.....	-310.665
Cost at 31 December 2023.....	452.497
Amortisation at 1 January 2023.....	687.383
Reversal of amortisation of assets disposed of	-310.665
Amortisation for the year.....	36.874
Amortisation at 31 December 2023.....	413.592
Carrying amount at 31 December 2023.....	38.905

Property, plant and equipment

9

	<u>Group</u>	
	Other plant, fixtures and equipment	Leasehold improvements
Cost at 1 January 2023.....	4.325.999	2.973.299
Additions.....	5.763.560	161.385
Disposals.....	-520.204	-503.812
Cost at 31 December 2023.....	9.569.355	2.630.872
Depreciation and impairment losses at 1 January 2023.....	2.011.238	2.204.599
Reversal of depreciation of assets disposed of.....	-397.827	-449.954
Depreciation for the year.....	2.015.575	260.080
Depreciation and impairment losses at 31 December 2023....	3.628.986	2.014.725
Carrying amount at 31 December 2023.....	5.940.369	616.147
Finance lease assets.....	4.044.776	

NOTES

	<u>Parent Company</u>		Note
	Other plant, fixtures and equipment	Leasehold improvements	
Tangible fixed assets (continued)			9
Cost at 1 January 2023.....	4.325.999	2.973.299	
Additions.....	5.763.560	161.385	
Disposals.....	-520.204	-503.812	
Cost at 31 December 2023.....	9.569.355	2.630.872	
Depreciation and impairment losses at 1 January 2023.....	2.011.238	2.204.599	
Reversal of depreciation of assets disposed of.....	-397.827	-449.954	
Depreciation for the year.....	2.015.575	260.080	
Depreciation and impairment losses at 31 December 2023....	3.628.986	2.014.725	
Carrying amount at 31 December 2023.....	5.940.369	616.147	
Finance lease assets.....	4.044.776		
Financial non-current assets			10
		<u>Group</u>	
		Rent deposit and other receivables	
Cost at 1 January 2023.....		3.199.417	
Additions.....		191.822	
Disposals.....		-638.305	
Cost at 31 December 2023.....		2.752.934	
Carrying amount at 31 December 2023.....		2.752.934	
		<u>Parent Company</u>	
	Investments in subsidiaries	Rent deposit and other receivables	
Cost at 1 January 2023.....	34.524	3.199.417	
Additions.....	0	191.822	
Disposals.....	0	-638.305	
Cost at 31 December 2023.....	34.524	2.752.934	
Revaluation at 1 January 2023.....	1.495.267	0	
Profit/loss for the year.....	150.542	0	
Revaluation at 31 December 2023.....	1.645.809	0	
Exchange adjustment.....	45.918	0	
Impairment losses and amortisation of goodwill at 31 December 2023.....	45.918	0	
Carrying amount at 31 December 2023.....	1.634.415	2.752.934	

NOTES

Fixed asset investments (continued)
Investments in subsidiaries

Note

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Name and domicil	Ownership
Skatepro US Inc., USA.....	100 %

Deferred tax assets

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The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

	Group		Parent Company	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Deferred tax assets is related to:				
Intangible assets.....	-2.764	1.000	-2.764	1.000
Property, plant and equipment.....	-882.488	-55.000	-882.488	-55.000
Prepayments.....	-115.136	0	-115.136	0
Tax losses carried forward.....	11.048.066	8.126.000	11.048.066	8.126.000
Financial leasing.....	911.594	0	911.594	0
	10.959.272	8.072.000	10.959.272	8.072.000

	Group		Parent Company	
	2023 DKK	2022 DKK	2023 DKK	2022 DKK
Deferred tax assets, beginning of year.....	8.072.000	-88.000	8.072.000	-88.000
Deferred tax of the year, income statement.....	2.887.272	8.160.000	2.887.272	8.160.000
Deferred tax assets 31 December 2023.....	10.959.272	8.072.000	10.959.272	8.072.000
Recognized as follows:				
Deferred tax (assets).....	10.959.272	8.072.000	10.959.272	8.072.000
	10.959.272	8.072.000	10.959.272	8.072.000

The company's tax losses carried forward is recognized as a deferred tax asset, since this is expected to be used within the foreseeable future.

Prepayments

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Prepayments recognized as receivables comprises prepaid expenses.

NOTES

Long-term liabilities

Note

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	Group			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Lease liabilities.....	4.143.608	920.640	0	0
Payables to group enterprises.....	28.023.245	0	28.023.245	0
Debt to owners and Management.....	25.209.104	0	25.209.104	0
Deposits.....	198.468	0	198.468	81.271
	57.574.425	920.640	53.430.817	81.271

	Parent Company			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Lease liabilities.....	4.143.608	920.640	0	0
Payables to group enterprises.....	28.023.245	0	28.023.245	0
Debt to owners and Management.....	25.209.104	0	25.209.104	0
Deposits.....	198.468	0	198.468	81.271
	57.574.425	920.640	53.430.817	81.271

Other liabilities

14

A-tax and labour market contribution.....	881.560	0	881.560	0
ATP and social security costs.....	67.784	108.113	67.784	108.113
Holiday allowance commitment.....	1.122.200	1.354.180	1.122.200	1.354.180
Payroll due.....	4.146.518	4.139.944	4.146.518	4.139.944
Holiday pay obligations.....	34.881	75.524	34.881	75.524
SH and options.....	15.349	39.444	15.349	39.444
Pensions payable.....	4.166	3.602	4.166	3.602
VAT.....	8.061.733	5.894.430	7.832.239	5.694.894
Other.....	848.116	990.322	848.116	990.322
	15.182.307	12.605.559	14.952.813	12.406.023

Contingencies etc.

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Contingent liabilities**Rent obligations**

The company has entered into rent commitments, which at the balance sheet date amount to DKK 66.954 thousand during the period of notice, which expires on June 30th 2033.

Joint liabilities

The Company is jointly and severally liable together with the Parent Company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of Bluemind Holding ApS, which serves as management Company for the joint taxation.

NOTES**Note****Charges and securities****16**

A floating charge of a maximum of DKK 125.000 thousand secured on unsecured claims, inventories, operating equipment and intellectual property rights has been provided as security for the Group's bank commitments.

The carrying amount of unsecured claims provided as security at 31.12.2023 is DKK 4,493 thousand.

The carrying amount of inventories provided as security at 31.12.2023 is DKK 247,321 thousand.

The carrying amount of operating equipment provided as security at 31.12.2023 is DKK 6,557 thousand.

The carrying amount of intellectual property rights provided as security at 31.12.2023 is DKK 39 thousand.

The Group has provided a payment guarantee as of 31.12.2023, for an amount of DKK 1.029 thousand

Related parties**17****Related parties with controlling interest**

Biegel Holding ApS, Risskov, owns 60% of the shares in the Entity, thus exercising control.

Biegel Holding ApS, Risskov, is owned 20% by Bluemind Holding ApS, thus exercising control due to voting rights.

Bluemind Holding ApS, Risskov, is owned 100% by Jakob Høy Biegel, thus exercising control.

Transactions with related parties

The Company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

Consolidated Financial Statements**18**

The company is included in the consolidated financial statements of Bluemind Holding ApS, which is the highest level in the group.

Requisitioning of the parent company's consolidated financial statements:
Hvidkildevej 60, Risskov, CVR-nr.: 43 77 12 21

ACCOUNTING POLICIES

The Annual Report of SKATEPRO ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for large-size enterprises in reporting class C .

The Annual Report is prepared consistently with the accounting principles applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Consolidated Financial Statements

The Consolidated Financial Statements include the Parent Company SKATEPRO ApS and the subsidiaries in which SKATEPRO ApS directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

INCOME STATEMENT

Net revenue

Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, measured at cost adjusted for inventory writedowns.

Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible assets, operating loss and conflict compensations, as well as salary refunds. Compensations are recognised when the income is estimated to be realisable.

Other external expenses

Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, operating lease expenses, etc

Payments related to operating lease expenses and other lease agreements are recognised in the Income Statement over the contract period. The Company's total liability concerning operating and other lease agreements are stated under contingencies, etc.

ACCOUNTING POLICIES

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees.

Income from investments in subsidiaries

The Income Statement of the Parent Company recognises the proportional share of the results of subsidiaries determined according to the Parent Company's accounting policies and after full elimination of intercompany profits/losses and deduction of amortisation of goodwill. Resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company's Income Statement.

Profits from sale are recognized, if the economic rights related to the sold subsidiaries are transferred. However, not before the profit is realised or regarded as realisable. Moreover, realised losses besides impairments are recognised when they are demonstrated.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

The accounting item is measured at the lower of the capitalised costs less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over the estimated useful life after completion of the development work. The amortisation period is normally 5 years.

Intangible fixed assets are generally written down to the recoverable amount if this is lower than the carrying amount.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life
Other plant, fixtures and equipment.....	3-10 years
Leasehold improvements.....	3 years

Estimated useful lives and residual values are reassessed annually.

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Lease contracts

Lease contracts relating to tangible fixed assets for which the Company bears all material risks and benefits attached to the ownership (finance lease, see IAS 17) are recognised as assets in the Balance Sheet. The assets are at the initial recognition measured at the lower of cost stated at fair value and the and present value of the future lease payments. The internal interest rate of the lease contract, or alternatively the Company’s loan interest, is used as discounting factor when calculating the present value. Finance lease assets are hereafter treated as the Group’s and the Company’s other similar tangible fixed assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability and the interest portion of the lease payment is recognised in the Income Statement over the contract period.

All other lease contracts are considered to be operating leases. Payments related to operating leases and other rental agreements are recognised in the Income Statement over the contract period. The Company's total liability relating to operating leases and rental agreements is disclosed as contingencies etc.

Financial non-current assets

Investments in subsidiaries are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Net revaluation of investments in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Investments in subsidiaries with negative equity value are measured at DKK 0. Any receivables with these companies are written off, to the extent that the receivable is uncollectible from a specifically assessed indication of impairment. To the extent that the Parent Company has a legal or actual obligation to cover a negative balance which exceeds the receivable, the remainder is recognised under provisions for liabilities.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories

Inventories are measured at cost using the FIFO principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of finished goods merchandise as well as consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank deposits.

ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish Group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the tax-on-account scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

The capitalised remaining lease liability on finance lease contracts is also recognised as financial liabilities.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the Income Statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the Balance Sheet date are translated at the exchange rate on the Balance Sheet date. The difference between the exchange rate on the Balance Sheet date and the exchange rate at the date when the receivables or payables come into existence recognised in the Income Statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

At recognition of foreign subsidiaries that are not independent entities, but integrated entities, monetary items are translated at the exchange rate on the Balance Sheet date. Non-monetary items are translated at the rate at the date of acquisition or at the date of a subsequent revaluation or writedown of the asset. The items of the Income Statement are translated at the rate on the transaction date, items derived from non-monetary items being translated at the historic rates of the non-monetary item.

ACCOUNTING POLICIES

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Group's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:

Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:

Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:

Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:

Cash and cash equivalents include cash at bank and in hand and short-term securities, for which there is only negligible risk of changes in value, and which are readily negotiable for cash at bank and in hand.